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DOS Review Completed.













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ROUTINE CRZ198 DE RUEHCR #0510 1900940 R 090930Z JUL 73 FM USLD PEKING

TO SECSTATE WASHOC 389

INFO AMEMBASSY BANGKOK 024
AMEMBASSY LONDON 004
AMEMBASSY MUSCOW 002
AMEMBASSY PARIS 011
AMEMBASSY PHNOM PENH 002
AMEMBASSY TAIPEI 020
AMEMBASSY TOKYO 036
AMEMBASSY SAIGON 011
AMEDISUL HONG KONG 201

## S.E.C.R.E.T PEKING 0510

E.O. 11652: GDS DECEAS 12/31/79
TAGS: PFOR: CH: CG
SUBJ: CHOU ON CAMBODIA
RFF: HONG KONG 6845; USLD PEKING A-8

USLD AGREES WITH CONGEN HONG KONG ON RESTRAING EXERCISED BY CHOU EN-LAI IN HIS BANQUET SPEECH WELCOMING SIHANDUK'S RETURN TO PEKING (HONG KONG 7520). THIS RESTRAINT IS ALL THE MORE NOTICEABLE IN THE CONTEXT OF SIHANDUK'S OWN REMARKS, WHICH ARE ALMOST OBSESSIVE IN EXPRESSING HATRED OF THE "LON NOL CLIQUE" AND THE "U.S. IMPERIALISTS". GIVEN THE FACT THAT IN HIS MEETING WITH U.S. CONGRESSIONAL DELEGATION JUST PRIOR TO THIS BANQUET CHOU MENTIONED THAT SIHANDUK WOULD BE "FIRING SOME CANNONS" THAT EVENING, WE BELIEVE THAT CHOU MUST HAVE BEEN INFORMED IN ADVANCE ABOUT WHAT SIHANDUK WAS GOING TO SAY AND TEMPERED HIS REMARKS ACCORDINGLY SO AS TO MAINTAIN PRC FLEXIBILITY WITH RESPECT TO CAMBODIAN SITUATION.

2. DESPITE THE BOMBAST OF SIMANOUK'S WORDS, WE CONSIDER THAT THERE IS A MARKED ELEMENT OF APPEAL CONTAINED WITHIN THEM, AS IF SIMANOUK DOES NOT FEEL THAT HIS OWN POSITION AND THAT OF FORCES HE CLAIMS TO LEAD ARE ALL THAT COMFORTABLE.

--- FOR EXAMPLE: IN PASSAGE OF SPEECH TEXT WE OBTAINED FROM GERMAN DIPLOMAT AND PRINTED IN "PEOPLE'S DAILY", BUT

KENNEDY, LL'O, STEARMAN, SOLOMON

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NOTINOT NEWA ENGLISH, HE SAYS THAT U.S. WILL DNLY UNDERSTAND THE LANGUAGE OF FORCE AND THAT IS WHY HE ASKS ALL "FRIENDLY COUNTRIES. ALL FRATERNAL COUNTRIES, AND ANTI-IMPERIALIST COMRADES-IN-ARMS OF THE KHMER PEOPLE TO GIVE, SEND AND BRING OVER AS SOON AS POSSIBLE ARMS AND PARTICULARLY AMMUNITION, AGAIN AMMUNITION AND ALWAYS AMMUNITION" TO HELP HIS FORCES "PREVENT THE EXTERMINATION OF THE KHMER COUNTRY AND PEOPLE AND HELP THEM REGAIN NATIONAL INDEPENDENCE". THIS RECALL'S WHAT SIHANDUR TOLO CORRESPONDENT: STANLEY KARNOW JUST PRIOR TO HIS DEPARTURE FOR HIS TRIP ABROAD: BOTH TH CHINESE AND THE NORTH VIETNAMESE YAD STOPPED SENDING MILITARY EQUIPMENT AFTER JANUARY 27, THUS OBLIGING HIS FORCES TO RELY ON CAPTURED WEAPONS FROM LON NOL (USLO'S A-8). --- AT ANOTHER POINT, HE DECLARES THAT HIS FORCES WILL FIGHT TO END . "EVEN IF THERE ARE LEFT FOR THEM DNLY THE ARCHAIC BEAPONS DE THEIR ANCESTORS (BOWS AND ARROWS, CUTTERS, HAMMERS, AXES, SHOVELS, PICKS AND CUDGELS) TO DO SO."

WE ACCORDINGLY JUDGE THAT IF THE CHINESE, AT LEAST, HAVE NOT TURNED OFF THE ARMS PIPE-LINE TO STHANDUK, THEY HAVE NEVERTHELESS LET HIM KNOW THAT THEY HAVE THEIR HANDS ON THE VALVE. WE, OF COURSE, HAVE NO WAY OF KNOWING WHAT HANDI'S POSITION MIGHT BE. BUT CERTAINLY BOTH HAND! AND PEKING WOULD BE INCLUDED IN STHANDUK'S APPEAL TO "FRATERNAL COUNTRIES" FOR ARMS AND AMMUNITION. BRUCE

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ARA Date 7/9/07

## TOP SECRET/SENSITIVE EXCLUSIVELY EYES ONLY

PEKING 016 (Section 1 of 2)

July 11, 1973

TO:

HENRY KISSINGER

FROM:

DAVID BRUCE

SUBJECT: Your Visit to Peking

Much appreciate opportunity to comment on subjects which you might cover during your August visit to Peking. Following are my thoughts, which are subject to further refinement in the period prior to your arrival as international developments or other tactical considerations may dictate.

File the the same with

- U.S.-PRC Bilateral Relations These have been progressing very well, very well indeed since signing of Paris Agreement despite the existance of Cambodia and Taiwan as important issues still standing between us in the immediate sense. The Chinese people are now becoming used to an official American presence in Peking and to an increasing number of U.S. delegations in China; the PRC is sending its own people to the U.S. in growing numbers; the PRC authorities have been very responsive to our needs in opening our Liaison Office; American businessmen are engaging in a substantial level of trade with the PRC; and all-in-all the Chinese leaders are making it plain that they are prepared to push ahead to the normalization of relations providing we ourselves respond in kind "in the spirit of the Shanghai Joint Communique." In following this course the PRC leaders are unabashed by the contradictions it creates between their ideological predelections on the one hand and the realities of world power balances on the other; e.g. the same issue of the People's Daily which carried Sihanouk's banquet speech strongly attacking the U.S. also printed an article and photo covering Chou En-lai's reception of the Magnuson group. The Chinese people must accordingly now be realizing that rhetoric is indeed just the firing of empty cannons and that what counts is what the PRC does rather than what it says. You might wish to open by commenting in positive terms on the favorable trend in U.S.-PRC relations and reaffirm that we definitely intend to follow through on our side toward the goals which have been jointly set.
- Cambodia -- This of course is the most pressing problem between the U.S. and Peking given China's identification with Sihanouk. While there is some reason to believe the Chinese



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may be attempting behind the scenes to bring influence to bear on Sihanouk (Peking 10510), they are acutely embarrassed by any allegations that they are engaged with other great powers in an exercise to settle Cambodia behind Sihanouk's back. We will need to do what we can to hold down U.S. press speculation to this effect, otherwise Chinese efforts to be helpful may be compromised. In your private Peking conversations on Cambodia, I believe that the line you have taken publicly is absolutely correct; that all major countries which have a stake in peace in Indo-China should use their influence in the direction of restraint. The position which you have already handed the Chinese on Cambodia should also serve as a basis for further discussion, and you will want to know the reaction of Sihanouk, if any. In addition, I would suggest these points:

- -- Anti-Vietnam forces in the U.S. are trying to seize upon Cambodia to achieve what they were unable to get in Vietnam; a serious defeat for administration policy. If this effort is allowed to succeed, a new American isolationism may develop which would disrupt existing power alignments not only in the Far East but in Europe as well. Such a situation would suit neither U.S. nor PRC interests.
- -- As Prime Minister Chou En-lai undoubtedly discovered in his conversations with Senator Magnuson, the Senator does not have the world view shared by the administration and the PRC. Regrettably there are many others like him in the U.S. Senate, and these people exercise a great amount of influence. Although their position on Cambodia may be similar to that of the PRC, their ultimate objectives run counter to those of the administration and also that what we believe are the PRC's objectives. In all this, the Chinese may be more disposed to listen than to indicate any particular line of action on their part. They will of course express support for Sihanouk.
- 4. Nixon-Brezhnev Summit Talks and Joint Agreement -- In my opinion your main purpose here will be to reiterate in person to Chou En-lai the assurances we have already provided elsewhere as to the U.S. philosophy regarding the USSR and the Joint Agreement and as to the lack of U.S.-Soviet "collusion." In this case, the Chinese will undoubtedly want to expand further

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on their area of greatest concern -- their fear that the agreement with the USSR, which they say the Soviets will in any case not honor, will lull people into a false sense of security. (In this connection a reiteration of Sec Def Schlesinger's line on the maintenance of U.S. forces in Europe may be helpful.) It is noteworthy, though, that the Chinese have not commented publicly to this effect other than through Senator Magnuson's unfortunate leak of his conversation with Chou, and you may wish to express appreciation for the absence of overt Chinese criticism. This has been very helpful in gaining international acceptance of the Joint Agreement.

5. The Soviet Role World Wide -- I think it likely that in connection with para 4 above, the Chinese will expatiate on the topic of how the Soviets are stretching out their hands in areas of strategic interests to China such as the Indian Ocean, Southeast Asia, and Japan. You might deal with this by repeating what the President said to Huang Chen about our wanting a strong and secure China, and by pointing out that our efforts to retain adequate deterrent forces in various parts of the world are both contributory to this end and a reflection of our own awareness of basic Soviet policy. You might also note that we will do what we can to oppose Soviet moves toward an Asian Security Pact, (which incidentally do not appear to be gaining much acceptance -- perhaps the Chinese may wish to give their own appraisal).

End Section 1 of 2.

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PEKING 016 (Final Section of 2)

July 11, 1973

TO:

HENRY KISSINGER

FROM:

DAVID BRUCE

SUBJECT: Your Visit to Peking

- 6. Taiwan -- In the wake of Senator Magnuson's banquet remarks about Taiwan independence it would be desirable for you to reaffirm strongly the direction of U.S. policy as discussed previously with the Chinese and embodied in the Shanghai Joint Communique. You could also take the opportunity to point out that neither Senator Magnuson nor pro-Taiwan advertisements in the New York Times and Washington Post are indicative of U.S. policy. I have received no hint in Peking of any undue Chinese concern over the U.S. military presence in Taiwan, and it is possible that in the near term the Chinese may regard these forces as contributory to the stability of the Asian-Pacific Region. However, if there are any developments with respect to U.S. troop withdrawals from Taiwan, I believe that you should communicate them.
- 7. Japan -- You are probably aware that Chou En-lai has been telling visitors lately that Japan is "at the crossroads;" that is, it can either continue along a course which is reasonably congenial to the Chinese, as at present, or one which could cut across Chinese bows. I doubt that the Chinese presently believe there is much possibility of a revival of Japanese militarism (although they may claim that there is), but what does concern them is the prospect of Soviet-Japanese collaboration in ways which would be harmful to China. They appear particularly apprehensive about bilateral Soviet-Japanese exploitation of strategic Siberian resources. Judging by Chou En-lai's remarks to me on June 25 they appear resigned to some form of Soviet-Japanese exploitation of these resources, but look to the U.S. to join in so as to exercise some moderating influence over the Japanese and to keep them from falling wholly under Soviet sway. You should be prepared to address this issue and bring the Chinese up to date in what is being done on the U.S. side with respect to Siberian developments. Again, the question of the Soviet-inspired Asian Security Pact may come up in connection with Japan, and you may be called upon to talk to this issue.

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As it looks from here the Japanese do not appear much interested in the security pact, although they may from time to time say vaguely encouraging things about it in hopes of getting more out of the Soviets than they have so far on the northern territories issue.

- Korea -- The PRC has made a concerted effort lately to identify itself with DPRK policies regarding relations between North and South Korea, particularly Kim Il-sung's "new line and five propositions for the independent and peaceful reunification of Korea," and consequently may have lost some of its flexibility on the Korean question. It would be a pity if such is the case, since the result might be a return to the frozen situation of the past if Kim Il-sung should decide that the South-North talks are fruitless and break them off. We and the Chinese both need to keep our options open on Korea so as to assure continuation of the talks, and we for our part have done so with respect to UNCURK and the UN Command in relation to this year's U.N.G.A. session. A discussion of the Korean situation would appear to be in order in which you could sound out the Chinese position and urge that we both do what we can to encourage progress on the South-North talks within the limitations of our mutual needs to back up our respective Korean allies. And since we have made certain concessions or adjustments in policy on our side. it would be desirable to see what adjustments, if any, the Chinese may have made on theirs. Policy adjustments should not be all on one side.
- 9. Laos and South-Vietnam -- You are unquestionably far more knowledgeable on these subjects than I, and about all I can say is that the Chinese appear anxious that the ceasefire hold in South Vietnam and seem reasonably confident that the issues between the sides in Laos will be cleared up so that a political settlement will insue. About all that I can suggest is that you review U.S. policies with respect to both countries, pointing up the positive aspects and assuring the Chinese as before that we are prepared to accept a "peaceful, neutral, and independent" Indo-China, including Cambodia as well as Laos and South Vietnam.
- 10. Economic Issues -- The Chinese are anxious to wrap up the Claims-Blocked Assets Agreement as a first step toward obtaining MFN treatment, but are evidently having trouble over both the wording and substantive contents of the draft agreement we presented to them in Paris some three months ago. Chang Wen-chin

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has told us that despite agreement in principle the Chinese were having difficulty working out language "suitable for public consumption" and complain that the late introduction of the question of Chinese railway bonds outside the framework of the Claims-Blocked Assets Deal had complicated the matter. The former question is probably relatively simple but the latter is not. The problem is that while the claims-blocked assets arrangement is strictly governmental since it involves Chinese assets sequestered under FAC regulations and Claims File with the Foreign Claims Settlement Commission, we have taken the position that pre-1949 Chinese Railway Bonds held by Americans are a private matter between the holders and the PRC. Thus there is a prospect that (a) law suits may be placed against the PRC by bond holders seeking redress, Chinese goods shipped to the U.S. sequestered by the ports, and (b) complaint, may be made to Congress by bond holders, hence interfering with MFN legislation. The Chinese may well raise this issue with you at least at the Chang Wen-chin level, and may declare they understand from your February discussions of this issue that all American claims were to be included in the Claims-Blocked Assets Deal. I think you should be prepared to go into the matter in some detail, and I hope that some formula can be found to be responsive to the Chinese needs.

11. Warm Regards.

END OF MESSAGE. End all sections.